

103D CONGRESS  
1ST SESSION

# H. R. 1145

To amend the Internal Revenue Code of 1986 to provide certain additional taxpayers' rights.

---

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1993

Mr. HEFLEY introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to provide certain additional taxpayers' rights.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CIVIL DAMAGES FOR CERTAIN ACTIONS OF**

4 **THE INTERNAL REVENUE SERVICE.**

5 (a) DAMAGES AVAILABLE WITH RESPECT TO DE-  
6 TERMINATION OF TAX.—

7 (1) IN GENERAL.—Section 7433(a) of the In-  
8 ternal Revenue Code of 1986 is amended by insert-  
9 ing “determination or” before “collection”.

10 (2) CONFORMING AMENDMENTS.—

1 (A) The heading for section 7433 of such  
 2 Code is amended by inserting “**DETER-**  
 3 **MINATION OR**” before “**COLLEC-**  
 4 **TION**”.

5 (B) The item relating to section 7433 in  
 6 the table of sections for subchapter B of chap-  
 7 ter 76 of such Code is amended by inserting  
 8 “determination or” before “collection”.

9 (b) DAMAGES AVAILABLE FOR CARELESS AC-  
 10 TIONS.—

11 (1) IN GENERAL.—Section 7433(a) of such  
 12 Code is amended by inserting “, carelessly,” after  
 13 “recklessly”.

14 (2) CONFORMING AMENDMENT.—Paragraph (1)  
 15 of section 7433(b) of such Code is amended by in-  
 16 serting “, careless,” after “reckless”.

17 (c) EFFECTIVE DATE.—The amendments made by  
 18 this section shall apply to actions taken by officers or em-  
 19 ployees of the Internal Revenue Service after December  
 20 31, 1993.

21 **SEC. 2. DEFINITION OF PREVAILING PARTY FOR AWARDING**  
 22 **OF ATTORNEYS’ FEES IN TAX CASES.**

23 (a) IN GENERAL.—Section 7430(c)(4)(A) of the In-  
 24 ternal Revenue Code of 1986 (defining prevailing party)

1 is amended by striking clause (i) and by redesignating  
2 clauses (ii) and (iii) as clauses (i) and (ii), respectively.

3 (b) CONFORMING AMENDMENT.—Section 7430(c) of  
4 such Code is amended by striking paragraph (7).

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to any proceeding commenced after  
7 December 31, 1993.

8 **SEC. 3. RATE OF INTEREST TO BE SAME FOR UNDERPAY-**  
9 **MENTS AND OVERPAYMENTS OF TAX.**

10 (a) IN GENERAL.—Subparagraph (B) of section  
11 6621(a)(1) of the Internal Revenue Code of 1986 (defin-  
12 ing overpayment rate) is amended by striking “2 percent-  
13 age points” and inserting “3 percentage points”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 subsection (a) shall apply for purposes of determining in-  
16 terest allocable to periods after December 31, 1993.

○